GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

STARRED QUESTION NO:149
ANSWERED ON:28.11.2002
REVIVAL PACKAGES FOR SICK PSUS
ABDUL RASHID SHAHEEN;MANSUKHBHAI D. VASAVA

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether schemes of revival of sick PSUs are still under consideration of the Government;

(b) if so, the details thereof;

(c) whether several problems have come-up due to the delay in finalising the revival packages for these PSUs;

(d) if so, the details and the factual position thereof; and

(e) the steps taken by the Government to resolve these problems?

Answer

MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI BALASAHEB VIKHE PATIL)

(a) to (e) : A statement is laid on the Table of the House.

STATEMENT IN REPLY TO LOK SABHA STARRED QUESTION NO. 149 FOR REPLY ON 28.11.2002 ON REVIVAL PACKA FOR SICK PSUS BY S/SHRI MANSUKHBHAI D. VASAVA AND ABDUL RASHID SHAHEEN.

(a) & (b) : Revival of sick PSUs is an ongoing process. The sick industrial Central Public Sector Undertakings (CPSUs) are referrec to the Board for Industrial and Financial Reconstruction (BIFR) for formulation of revival/rehabilitation schemes. The BIFR deals witl the CPSUs registered with it through quasi-judicial proceedings in accordance with the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985. Whenever feasible, rehabilitation schemes are sanctioned for the revival of sick companies. As per available information as on 31.10.2002, total 68 sick industrial CPSUs were registered with BIFR for formulation of revival/rehabilitation schemes. Out of these 68 CPSUs, 2 have been declared as `No longer sick` and dismissed 5 cases as non-maintainable. The position of remaining cases is as follows:

Sl.No.	Status with BIFR	No. of CPSEs
1.	Draft Scheme circulated	4
2.	Failed & Reopened	1
3.	Revival Scheme Sanctioned	17
4.	Under Enquiry	9
5.	Winding up Notice Issued	12
6.	Winding-up Recommended	18
7	Dismissed as non-maintainabe	5
8.	Declared as no more sick	2
	Total	68

(c) to (e) : The revival/rehabilitation schemes formulated by the BIFR passes throughvarious processes/agencies. Besides this, before finalizing the revival/rehabilitation schemes various aspects such as viability of the company, availability of funds, interests of employees, consent of the various stakeholders etc. are also taken into consideration. The finalisation of revival schemes may take approximately 3-4 years. The period may, however, be less or more on case to case basis. Government provide need based financial assistance to the sick CPSUs. Further, Government also take various steps for revival of sick CPSUs which may include infusion of fresh funds, providing guarantee for mobilizing funds, periodical review of the performance, purchase preference for products and services of concerned PSUs, rationalization of manpower through VRS etc.